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## COMMONWEALTH OF VIRGINIA

## STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 15, 2000

APPLICATION OF

TALKINGNETS HOLDINGS, LLC

CASE NO. PUC000186

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

## FINAL ORDER

On August 11, 2000, TalkingNets Holdings, LLC

("TalkingNets" or "Applicant"), completed an application for

certificates of public convenience and necessity

("certificates") with the State Corporation Commission

("Commission") to provide local exchange and interexchange

telecommunications services throughout the Commonwealth of

Virginia. The Applicant also requested authority to price its

interexchange telecommunications services on a competitive basis

pursuant to § 56-481.1 of the Code of Virginia.

By Order dated August 28, 2000, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to TalkingNets' application. On October 18, 2000, the Staff filed its report finding that TalkingNets'

application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of TalkingNets' application and unaudited financial statements of the parent, TalkingNets, Inc., the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to two conditions: (1) any customer deposits collected by TalkingNets be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) TalkingNets shall provide audited financial statements of its parent, TalkingNets, Inc., to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of TalkingNets' initial tariff.

An initial hearing was held on November 1, 2000. Counsel for Applicant did not appear. The Commission accepted Applicant's prefiled proof of notice and proof of service, which had been filed on October 3 and September 15, 2000, respectively. There were no members of the public present at the November 1, 2000, hearing. The Commission continued the hearing date to November 21, 2000, in order to afford a full and complete hearing on TalkingNets' application.

The hearing was then held on November 21, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. TalkingNets agreed to the conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that TalkingNets' application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that TalkingNets may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

- (1) TalkingNets Holdings, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-120A, to provide interexchange telecommunications services subject to the restrictions set forth in the IXC Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) TalkingNets Holdings, LLC, is hereby granted a certificate of public convenience and necessity, No. T-524, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (3) Pursuant to § 56-481.1 of the Code of Virginia, TalkingNets may price its interexchange telecommunications services competitively.

- (4) TalkingNets shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.
- (5) Should TalkingNets collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Division of Economics and Finance of the escrow arrangement.

  Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.
- (6) TalkingNets shall provide audited financial statements of its parent, TalkingNets, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of TalkingNets' initial tariff.
- (7) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.